

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of)

PUBLIC UTILITIES COMMISSION)

Instituting a Proceeding to Investigate)
the Implementation Of Feed-in Tariffs)
_____)

Docket No. 2008-0273

PUBLIC UTILITIES
COMMISSION

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HAIKU DESIGN AND ANALYSIS
COMMENTS ON QUEUING AND INTERCONNECTION PROCEDURES
AND
CERTIFICATE OF SERVICE

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HAIKU DESIGN AND ANALYSIS

COMMENTS ON QUEUING AND INTERCONNECTION PROCEDURES

Carl Freedman, dba Haiku Design and Analysis (HDA) respectfully offers the following brief comments on queuing and interconnection procedures for Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited (collectively HECO Companies) filed by the HECO Companies on February 1, 2010.

(1) THE DEVELOPMENT OF THE PROPOSED PROCEDURES WAS NOT COLLABORATIVE

The HECO Companies state in several places in the February 1, 2010 filing that the proposed procedures were developed in a collaborative fashion. This is not true. The HECO Companies developed the proposed procedures entirely on their own. There was no collaboration or participation by other parties in the development of the proposed procedures. There was a workshop at which the proposed procedures were presented to the parties and another at which comments were invited with the participation of the

independent observer. None of the parties other than the HECO Companies had any opportunity to participate in the synthesis or development of the proposed procedures. HECO's repeated statements about a collaborative process used to develop these procedures are inaccurate and misleading.

(2) THE PROPOSED PROCEDURES ALLOW AND ENCOURAGE ARBITRARY AND CAPRICIOUS QUEUING PRACTICES

The proposed queuing procedures provide for a date/time stamp on completed applications (Attachment A at page 9). The HECO Companies would then make an assessment of each project according to several subjective criteria¹. Based on the assessment HECO would then "rank" the projects in the queue. See for example at Attachment A on page 9: "The IO will provide input with regard to Hawaiian Electric's evaluation and selection process for the FIT queue and the ranking of projects in the queue and may make recommendations for improvements at any stage of the process." The ranking of projects in the queue is therefore subject to HECO's sole, subjective discretion regarding its assessment of each project. There are two problems with this aspect of the proposed procedures.

First, the ranking is done solely by HECO without any direct IO authority. The IO is allowed to "provide input" regarding the process and may make recommendations for improvements to the process but the ranking of the queue is done by HECO.

¹ One of the criteria, for example, is whether the project would "impact system reliability". There are no objective reliability standards developed for any of the HECO systems and none are anticipated to be developed for several years according to HECO's proposed timeline. The determination of impacts on system reliability is very subjective.

Second, the ranking is ultimately determined by HECO's subjective judgment. It is not clear in the proposed procedures what the real meaning of the time/date stamp would be since HECO would be ranking the queue based on other determinations. Nowhere in the proposed procedures is it specified whether or how the time/date stamp would be used to determine the order of queue versus HECO's ranking of the queue based on HECO's assessment of each project. It appears, for example, that HECO could arbitrarily change the order of the queue at any time based on its own judgments about which projects are preferred by its system operators, regardless of the time/date stamps on the projects in the queue. A project that was waiting through the queue and was next in line could be pushed back by a later-filed project that the HECO Companies might prefer. In this respect the proposed procedures are provocatively ambiguous and invite arbitrary actions and potential disputes. This is at odds with the purposes of the queuing procedures: to provide clarity, transparency and fairness to project queuing.

At the second technical workshop HDA offered the comments above to HECO and the IO and stated that allowing and encouraging HECO to mess around arbitrarily with the ranking of the queue based on subjective assessments would invite conflicts and potential litigation (which is exactly what good queuing procedures should prevent). HDA encouraged the HECO Companies to provide very clear objective pass/fail criteria for projects to qualify for the queue so that, once projects were determined to meet the criteria, the queue would be solely determined by the time/date stamp (subject to accommodations

for projects requiring an IRS). HDA argued that this would provide more clarity and fairness and would generate rather than erode good faith in the process.

(3) THE PROPOSED QUEUING PROCEDURES DO NOT ADDRESS ANY PROCUREMENT METHODS OTHER THAN FEED IN TARRIFFS.

The proposed queuing procedures do not address the difficult question of how potential projects acquired by other procurement methods (competitive bidding, unsolicited bids, net energy metering, PURPA projects) would be queued. This aspect of the proposed procedures was deferred by the HECO Companies to the time that Tier 3 projects would be considered. HDA notes that the proposed queuing procedures may have to be amended substantially and could become more complicated with the anticipated incorporation of provisions to address all procurement methods.

CERTIFICATE OF SERVICE

The foregoing HAIKU DESIGN AND ANALYSIS COMMENTS ON QUEUING AND INTERCONNECTION PROCEDURES was served by electronic transmission on the date of signature below to the following parties in this docket except that as noted, the Division of Consumer Advocacy was also served two copies on the same date by first class mail:

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Dated: March 6, 2010; Haiku, Hawaii

Signed: 
Carl Freedman
dba Haiku Design and Analysis